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**Southern Bell**

Marshall M. Criser III  
Operations Manager  
Regulatory Relations

Suite 400  
150 South Monroe Street  
Tallahassee, Florida 32301-15561  
904 222-1201  
FAX 904 222-8640

8 February 1993

Mr. Walter D'Haeseleer  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32399-0866

Re: DADS and DPDS Data Request

Dear Mr. D'Haeseleer:

Attached is Southern Bell's response to the above noted request.

If I can be of any further assistance, please advise.

Yours very truly,

*for* Operations Manager - Regulatory Relations

Attachment

COST STUDY  
DIRECTORY ASSISTANCE DATABASE SERVICE  
DIRECTORY PUBLISHERS DATABASE SERVICE

1. Introduction and Overview

This cost study is performed to identify the incremental cost of Directory Assistance Database Service (DADS) and Directory Publishers Database Service (DPDS).

DADS provides a base file of directory listings and a daily update file of directory listing changes. These files are provided by Central Offices (by central office prefix, i.e., NNX) via magnetic media. This data is intended for customers providing alternate directory assistance service.

DPDS provides an extract of directory listings by requested Central Offices (by central office prefix, i.e., NNX). It also provides optional weekly reports of Central Office Business Activity.

The cost of both services includes, where appropriate, the labor cost for system development and maintenance, computer processing cost to produce the listing data, and material/packaging/delivery cost for the magnetic and paper media.

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### \* 3. Description of Procedures

The estimated programmer analyst's hours for program development was divided by the number of requests over the initial three years to develop the average hours per file/extract. Similarly, the annual maintenance hours were divided by the average annual requests. The respective software costs were produced by multiplying these results by the appropriate directly assigned labor cost.

The Computer Processing Unit (CPU) hours required for the extracts were multiplied by the CPU cost per hour to develop the data processing costs.

Material cost for the magnetic tapes and the paper output, along with delivery, were added to the software and data processing costs. This result was divided by the average listings that will be billed each month to produce the cost per listing for each service.

For the Weekly Business Reports, the CPU hours were negligible.

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DIRECTORY ASSISTANCE DATABASE SERVICE (DADS)  
DIRECTORY PUBLISHERS DATABASE SERVICE (DPDS)  
1993 INCREMENTAL UNIT COST

STATE: FLORIDA  
DATE: 04 JAN 1993  
SUMMARY

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DADS  
BASE FILE

COST PER LISTING

\$0.001

FILE UPDATES

COST PER CO FILE PER MONTH

\$11.81

\*  
DPDS

CENTRAL OFFICE EXTRACT  
COST PER LISTING

\$0.003

BUSINESS ACTIVITY REPORT  
COST PER LISTING

\$0.004

LINE	DESCRIPTION	SOURCE	AMOUNT
CENTRAL OFFICE EXTRACT			
1	PROGRAM DEVELOPMENT, HOURS PER CO EXTRACT		0.51
2	DIRECTLY ASSIGNED LABOR COST PER HOUR		\$44.35
3	PROGRAM DEVELOPMENT COST PER CO EXTRACT	LN1xLN2	\$22.62
4	PROGRAM MAINTENANCE, HOURS PER CO EXTRACT		
5	DIRECTLY ASSIGNED LABOR COST PER HOUR		0.75
6	PROGRAM MAINTENANCE COST PER CO EXTRACT	LN4xLN5	\$44.35 \$33.26
7	DATA PROCESSING COST PER CO EXTRACT		\$17.25
8	MAG TAPE, PACKAGING AND DELIVERY COST PER CO EXTRACT		\$39.00
9	GROSS RECEIPTS (GRT) TAX		1.0138
10	TOTAL COST PER CO EXTRACT	(LN3+LN6+LN7+LN8)LN9	\$113.68
11	AVERAGE LISTING PER CO EXTRACT		35,900
12	TOTAL COST PER LISTING	LN10/LN11	\$0.003
CENTRAL OFFICE BUSINESS ACTIVITY REPORT			
13	ADMINISTRATION, PACKAGING AND DELIVERY COST ASSOCIATED WITH LISTING PRINTOUT PER CO BUSINESS ACTIVITY REPORT		\$129.39
14	TOTAL COST PER CO BUSINESS ACTIVITY REPORT	LN13xLN9	\$131.18
15	AVERAGE LISTINGS PER CO EXTRACT		35,900
16	TOTAL COST PER CO LISTING	LN14/LN15	\$0.004

RECTORY ASSISTANCE DATABASE SERVICE (DADS)  
1993 INCREMENTAL UNIT COST

STATE: FLORIDA  
DATE: 04 JAN 1993  
WORKPAPER 1  
PAGE 1 OF 1

LINE	DESCRIPTION	SOURCE	AMOUNT
	BASE FILE		
1	PROGRAM DEVELOPMENT, HOURS PER CO FILE		0.13
2	DIRECTLY ASSIGNED LABOR COST PER HOUR		\$44.35
3	PROGRAM DEVELOPMENT COST PER CO FILE	LN1xLN2	\$5.77
4	DATA PROCESSING COST PER CO FILE		\$2.30
5	MAG TAPE, PACKAGING AND DELIVERY COST PER CO FILE		\$0.40
6	GROSS RECEIPTS (GRT) TAX		1.0138
7	TOTAL COST PER CO	(LN3+LN4+LN5)LN6	\$8.58
8	AVERAGE LISTINGS PER CO FILE		14372
9	TOTAL COST PER LISTING	(LN7/LN8)	\$0.001

STORY ASSISTANCE DATABASE SERVICE (DADS)  
INCREMENTAL UNIT COST

STATE: FLORIDA  
DATE: 04 JAN 1993  
WORKPAPER 2  
PAGE 1 OF 1

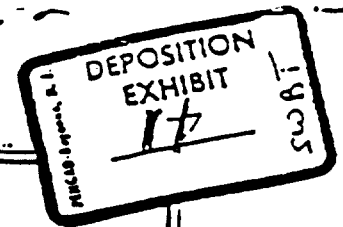
LINE	DESCRIPTION	SOURCE	AMOUNT
FILE UPDATES			
1	PROGRAM MAINTENANCE, HOURS PER CO FILE PER MONTH		0.01
2	DIRECTLY ASSIGNED LABOR COST PER HOUR		\$44.35
3	PROGRAM MAINTENANCE COST PER CO FILE PER MONTH	LN1xLN2	\$0.44
4	DATA PROCESSING COST PER CO FILE PER MONTH		\$2.41
5	MAG TAPE, PACKAGING AND DELIVERY COST, CO FILE PER MONTH		\$8.80
6	GROSS RECEIPTS (GRT) TAX		1.0138
7	TOTAL COST PER CO FILE PER MONTH	(LN3+LN4+LN5)LN6	\$11.81



9

ATTACHMENT  
GWDI

PRESENTATION TO MR. CHARLES FOSTER



# WHITE PAGES PLANS

September 28, 1988

RESTRICTED-CONFIDENTIAL INFORMATICS  
subject to Protective Order, CA2-88  
CA2-89-003, U.S.D.C., N.D. Tex.,  
Amarillo Div.

100051

Mr. Moser

DIRECTORY LISTINGS PRODUCT LINE  
FOR  
DIRECTORY PUBLISHERS

EFFECTIVE 1-1-86

A. Paper Product

Listings from the "Directory on the Street" are priced at .05¢ per listing and are taken from the current directory. Specific NNX's should be selected. This contract is for a one-year period.

B. Magnetic Tape Product

The "Directory on the Street" is available in magnetic tape format if ordered 30 days prior to that particular directory's close date. Data is furnished as of the directory close date only. We do not maintain this file or keep a library of tapes. Listings should be selected by specific NNX's. Listings are priced at .15¢ each. This contract is for a one-year period.

C. Update Service

This service is provided on Magnetic Tape or via T-TRAN on a daily or monthly basis. The publisher selects listings by NNX's for either business or residence, or both. The initial load database is provided for \$500.00. Update transactions are .30¢ each and include such changes as name, address, telephone number, and other information contained in the file. Documentation for this service is available. This contract is for a three-year period.

SWBT  
RESTRICTED

100052

MISSOURI  
1990 DIRECTORY SERVICES  
COST STUDY

COST SUMMARY

<u>SERVICE</u>	<u>TOTAL MONTHLY COST</u>	<u>TOTAL NONRECURRING COST</u>
Business Listings		
Residence Listings		
Foreign Listings	\$9,151.02	
Labels	\$2,503.64	
Specialty Listings		\$3,896.70
Photocomposition Pages	\$ 262.84	
Book on Street For Republication	No incremental Cost	
Repros	This service is considered a duplication of Photocom- position Pages.	
End of Run	\$ 39.78	
T-Tran		\$2,338.02
File Transfer System		\$3,507.03
9 Track Tape Production	\$ 272.80	\$1,169.01
S9900	\$ 796.27	
Invoice	\$ 306.57	
Bill Payment	\$3,158.97	
Revenue & Expense Tracking	\$1,196.64	
Cost Accountability		
Documentation & Audit	No incremental Cost	

\* Cost per listing equates to less than \$.01, therefore  
market value is the determining factor.

SWBT  
RESTRICTED

100053

E N H A N C E D   S E R V I C E S

SPECIALTY LISTINGS

NEW CONNECTS

DISCONNECTS

ELECTRONIC LISTING PROVISIONS

LABELS (Delivery Information)

SWBT  
RESTRICTED

100054

## C O N T R A C T   R E V I S I O N S

### PAYMENT PLAN REVISION

### PRICE RESTRUCTURE

1. Sale of the Directory for Republication
2. Elimination of output tape of "Directory on Street"
3. Two-Tier pricing of Listings for Publication
  - Business                 \$   .60/LISTING
  - Residence               \$   .50/LISTING

A portion of this page has been redacted because it dealt with highly confidential information pertaining to future directory listing information offerings under consideration by the Defendant and, therefore, this portion of the document is not responsive to any of the Plaintiff's requests.

5. Transmission Facilities
  - Tapes                   \$ 25.00
  - Dataset output \$400.00/MO
6. Consultant Services                 \$100.00/HR

NOTE: Prices subject to change based on Product Management review.

SWBT  
RESTRICTED

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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.**

In the Matter of	)	
	)	
YP-USA, LTD. d/b/a	)	
The SunShine Pages,	)	
	)	
Complainant,	)	
	)	
V.	)	File No. E-99-07
	)	
SOUTHWESTERN BELL TELEPHONE	)	
COMPANY,	)	
	)	
Defendant.	)	

**DEFENDANT'S ANSWERS TO COMPLAINANT'S  
REQUEST FOR ANSWERS TO INTERROGATORIES**

Pursuant to Commission Rule 1.729(e) and keeping with the rulings announced at the February 2, 1999, Status Conference, as memorialized by the February 3, 1999, Joint Proposed Order (as adopted by the Commission Staff's in its February 9, 1999, letter ruling), Southwestern Bell Telephone Company ("Defendant") answers Complainant's interrogatories nos. 2, 3, 4, 5, 6, 7, 8, 9 (as reworded), and 10, showing as follows:

**Responses to Interrogatories**

2. Please describe fully the basis upon which SW Bell has determined the rates or prices for each and every offering or subscriber list information that is made available to directory publishers, including but not limited to, the SLI offerings made available under the License Agreement, and identify (a) all documents that relate or refer to such determinations; (b) all cost studies, other evaluations, or calculations used in arriving at these determinations; and (c) all persons that participated in such determinations.

The present \$0.25 per-listing rate for subscriber list information ("SLI") was established in 1996 as the result of Defendant's negotiations with a significant independent directory publisher, Great Western Directories, Inc., and has been applied uniformly to all other



publishers. These negotiations were conducted in conjunction with Defendant's efforts to settle claims raised in a federal civil suit, to-wit: "*Great Western Directories, Inc. et al., v. Southwestern Bell Corporation, et al.*, In the United States District Court for the Northern District of Texas, Amarillo Division, Civil Action File No. 2:88-CV-0218-J." By express written agreement of the parties, the terms of the agreement were made confidential. In arriving at this rate, Defendant did not generate or use any cost studies. As Defendant never considered licensing SLI at incremental cost, Defendant did not generate an incremental cost study at that time. What's more, Defendant was confident that the present rate would capture the incremental cost of providing SLI. Defendant reviewed and considered market research to determine a fair market-based rate. It was Defendant's aim to arrive at a market-based rate that was fair and reflected the value of the offerings to publishers, who were primarily in the yellow-pages advertising business.

In addition to the \$0.25 per-listing rate, Defendant presently charges the following rates:

\$25.00 Tape Usage Fee  
\$55.00 Provisional Investigation and Compilation  
\$ .25 Provisions Manual Coded Slips

The latter two existed to cover unique requests so that Defendant's service could be more flexible. The \$55.00 fee was based upon a loaded labor rate, which existed in approximately 1990.

(a) The identity of all documents known to be within the possession, custody, and control of Defendant that relate or refer to such determinations are set out in Exhibit 1 attached.

(b) No cost studies were used in arriving at the determinations described above. Any evaluations or calculations used in arriving at these determinations are identified in Exhibit 1 attached.

(c) As negotiations for the per-listing rate were part of settlement negotiations in the *Great Western* case, they were conducted through counsel. Negotiating on behalf of Defendant was John W. Kelly, Jr., General Counsel-Houston, Southwestern Bell Telephone Company, 6500 West Loop South, Zone 5.5, Bellaire, TX 77401-3520. Negotiating on behalf of the publisher was Nancy Stone, Attorney-at-Law, 601 Amarillo National Plaza Two, 500 S. Taylor, L. B. No. 231, Amarillo, TX 79101-2442. Defendant cannot identify the parties making the determinations on behalf of the independent publisher but it believes that Richard O'Neal, President of Great Western Directories, Inc., participated in making these determinations. On behalf of Defendant, in addition to any attorneys providing counsel, the following people participated directly in making these business determinations:

Robert W. Thomas  
Director-Directory/License Agreements  
One Bell Plaza, Room 1405  
208 S. Akard Street  
Dallas, TX 75202

Denise C. Ortmann  
Manager-Product Management  
1010 Pine Street, Room 7-E-98  
St. Louis, MO 63101.

3. **Please identify separately and explain each cost or cost element incurred by SW Bell to extract and deliver SLI to directory publishers. Identify (a) how these costs were determined; (b) the methods of determining these costs; and (3) the individuals determining these costs. To the extent that such costs vary between or among publishers, please identify and explain each such variance. If the costs are not stated or calculated on a per-listing basis, please state the number of listings assumed for purposes of calculating each such cost or cost element.**

Defendant has not developed a cost study that would enable it to provide this information. As the costs have not been determined, Defendant cannot explain how the costs were determined, the method of determining them, or the individuals determining them.

4. **Please describe fully the means or method by which SW Bell provides subscriber list information to any and all persons or entities engaged in publishing directories for or on behalf of SW Bell or its affiliates. In your description, please specifically identify each item of SLI which is provided, the manner in which it is provided to or accessed by the recipient (e.g., electronically, manually) and the timeliness and frequency of its provision, transmission, or availability to the recipient (i.e., whether it can be accessed immediately by computer or is provided by facsimile or hardcopy) and the time interval for each manner of access, transmission, or delivery.**

#### **SOUTHWESTERN BELL TELEPHONE COMPANY'S WHITE PAGES DIRECTORIES:**

Usually on an annual basis, Defendant extracts published SLI — consisting of published subscribers' names, addresses, and telephone numbers — from its Listing Services System (LSS) database. The file produces print-ready pages that are sent to a printer. Timeliness and time intervals are not applicable to the process.

#### **SBC INTERACTIVE, INC:**

Defendant and SBCI have entered into a Subscriber Listing/Update ("SL/U") Agreement; however, no SLI has been provided at this time. SBCI is testing to see if they can access and transfer their files electronically. As of the date of these responses, Defendant cannot provide information about timeliness or time intervals. Nevertheless, Defendant has no reason to believe that the items of SLI and the timeliness and time interval requirements for SBCI will differ materially — if at all — from those applicable to other SL/U licensees retrieving SLI electronically.

#### **SOUTHWESTERN BELL YELLOW PAGES:**

SWBYPS and Defendant have entered into a SL/U Agreement for the provision of SLI. Defendant provides SWBYPS with updated SLI that consists of published telephone subscriber's names, telephone numbers, addresses, primary advertising classifications, and other fields of information as described in Attachment 1 of the File Description of Subscriber Listing/Update Service for Directory Publishers, see Exhibit 2 attached. The primary advertising classifications appear in the remark (RMK) field (Attachment I, Page 18) and are designated by their SIC (Standard Industrial Classification) codes. SIC codes are not maintained in the LSS database so

they do not appear in an initial load. When a SIC code is populated on a new business service order or when a service order generates a change to a SIC code, SIC codes are provided to all SL/U licenses with their updates. The update files are provided to SWBYPs on a daily (Monday-Friday) basis. Defendant's commitment is to have the file(s) available by 8 a.m. on the morning after the process is completed. If, due to processing problems/delays, the file(s) will not be available by the commitment time, Defendant will contact the publisher. SWBYPs then accesses the file electronically.

Defendant provides SWBYPs with an initial load of SLI that consists of published telephone subscriber's names, telephone numbers, addresses, and other fields of information, as described in Attachment 5 of the File Description of Subscriber Listing/Update Service for Directory Publishers. The SL/U Agreement requires SWBYPs to request SLI 60 days prior to the requested compile date. When SLI is requested 60 days prior to the requested compile date (and the requested date is available), then the extract is performed on the requested date. If SWBYPs were to request SLI with less than 60-days notice, Defendant would still attempt to meet the requested compile date. Nevertheless, any failure to request SLI with 60-days notice would absolve Defendant of any contractual liability to the publisher or others for failing to provide that SLI by the requested Compile Date. Once the SLI is extracted from the LSS system, a file is created.

Defendant makes the file available to SWBYPs by 8 a.m. the following day. Defendant contacts SWBYPs by phone verifying that the file was created and will be made available. Defendant's data center personnel provides SWBYPs with the filename. After SWBYPs is notified that the file was successfully created and provided the filename, SWBYPs can access the file electronically by computer. The number of listings created for each area code and prefix are entered into a spreadsheet. If there are any provisional listings that need to be provided, Defendant creates a "Coded Slip for Manual Input" for each valid provisional listing. Defendant generates a letter that accompanies the spreadsheet and any Coded Slips for Manual Input. The letter and attachments are usually mailed to SWBYPs.

Attached as Exhibit 3 is a copy of the "File Transfer Services" document that has been sent to publishers requesting information on obtaining Defendant's SLI electronically. Also, enclosed is a copy of the File Description of Subscriber Listing/Update Service for Directory Publishers documents. The services and information provided to SWBYPS by Defendant have been equally available to independent directory publishers who have entered into and met the terms and conditions of Defendant's SL/U Agreement.

5. **Please describe fully the means or methods by which any and all SW Bell affiliates, or agents of SW Bell or its affiliates, receive the addresses of unlisted or unpublished SW Bell Telephone subscribers for the purpose of delivering white or yellow pages telephone directories to such subscribers. Please also describe fully the means or method of annual or interim delivery of white or yellow pages published by or for a SW Bell affiliate to unlisted or unpublished subscribers, regardless of whether SW Bell or one of its affiliates actually delivers the directories.**

The following are the different formats by which customer information is provided to a distributor for purposes of delivering Defendant's stand alone "white pages" directories and co-bound directories (that is, directories that contain both Defendant's "white pages" and SWBYPS' "yellow pages").

#### **INTERIM**

Daily N & T ("new" and "move to") Activity: Defendant creates a download file each day (M-F), puts it on a 9-track tape, and sends it by courier to the distributor. The download file contains the Name, Listed Address, Service Address (if populated), and Delivery Address (if populated), for each customer who is either establishing new service or moving beyond their current directory scope. (It is assumed that a customer who moves within the same directory scope will take their directory with them.) Records for non-published and non-listed customers contain the three-digit telephone exchange (first three digits), but not the four-digit line number (last four digits). Records that are deemed "undeliverable" by internal system standards are printed on paper for hand correction and then forwarded to the distributor. Non-

published and non-listed telephone numbers are manually expunged from these records.

## **ANNUAL**

Physical deliveries: Once per directory life (usually annually), Defendant pulls a Generalized Transaction Generator ("GTG") extract file from the customer listing database and puts it on 9-track tape for all telephone exchanges within that directory scope. These records contain the Customer Name, Listed Address, Service Address (if populated), and Delivery Address (if populated). Non-published and non-listed customers' three-digit exchanges are included, but their four-digit line numbers are suppressed and replaced by four asterisks.

Mail deliveries: Once per directory life (usually annually), Defendant pulls a Directory Product Generator ("DPG") extract file from the customer listing database for all telephone exchanges within that directory scope. These records are then pre-formatted into postal delivery labels, sorted by carrier route, and sent by courier to the distributor. Each label contains the Customer Name, the Delivery Address (if populated), a manufactured Delivery Address (if billing information is populated), the Service Address (if populated and no Delivery Address is available), or the Listed Address (if it is the only address populated). Non-published and non-listed customer telephone numbers are suppressed entirely on the labels. In order to verify delivery, an alphabetical list accompanies the labels to the distributor. Non-published and non-listed three-digit exchanges appear on the report and four-digit line numbers are suppressed.

In the case of SWBYPS' directories that are not co-bound with Southwestern Bell's "white pages," Defendant has not received any requests for delivery records for non-published and non-listed subscribers since approximately April 1996. Before June 1996, SWBT did provide such delivery records to SWBYPS per letter of request. Defendant pulled a GTG extract

file from the customer listing database and put it on 9-track tape(s) for all telephone exchanges within that requested directory scope. These records showed "Occupant" as the Customer Name, and provided Listed Address, Service Address (if populated), Delivery Address (if populated) and the three-digit exchange number followed by four asterisks. At that time, the cost for this product was \$.30 per delivery record, \$25 per tape, and a \$500 administrative fee.

Within the last year, no publisher has requested delivery records for non-published and non-listed subscribers. If they were to do so today, Defendant would provide the same information using the same format as was provided to SWBYPs in 1996. Today, the cost would be \$.25 per delivery record and, if applicable, a usage fee of \$25 per tape. Defendant no longer charges an administrative fee.

6. **Please describe fully the steps, and the time intervals associated with each step, involved in the provision of SLI to directory publishers, including the subscriber listings, subscriber listing updates, and provisional listings offered pursuant to the License Agreement, from the date of a directory publisher's first request for the listings to the date the directory publisher actually receives the listings.**

The UTD and the SL/U Agreements currently require a 60-day notice prior to the publisher's requested Compile Date, which is defined as "the date the DLI [Directory Listing Information] is extracted from the White Pages database." The Agreements additionally state that the information will be compiled within five-business days of the requested date. The 60-day notice is in the Agreements to provide adequate time for planning, coordinating, and executing the necessary steps in the process of producing the requested Directory Listing Information (DLI) in a quality manner without incurring unnecessary contractual liability.

When a request is received from a publisher, the request is reviewed to see if all the necessary information is included to prepare the license agreement and to check the requested Compile Date.

Publishers request DLI by three-digit telephone number prefixes — area codes and NXX or central office codes. Defendant reviews the validity of the requested prefixes. At this same time, Defendant searches to see if any additional prefixes in the exchange exist and were overlooked by the publisher. Defendant validates the requested prefixes and compiles them into a list that is used to perform the extraction from the database. At this point, Defendant may need to coordinate with the publisher. Depending on the publisher's experience, this coordination task can be as short as a single phone call or as long as several weeks.

Once the information is finalized, it is entered into a spreadsheet, and the Compile Date is placed on the preliminary schedule. The spreadsheet is then logged. Defendant gives itself five-business days from this point in which to prepare the agreement. Defendant then mails the completed agreement to the publisher for approval. Emergency requests are faxed or expressed mailed — at the publisher's expense — to the publisher for approval. The publisher approves and returns the agreement. This normally requires about 20 days. It is at this point that the processes for the two different license agreements diverge.

#### **(a) UTD Agreement**

On receipt of the executed UTD Agreement, Defendant completes the extraction request and schedules it to run on the requested Compile Date. Completing the extraction request requires entering the prefixes and codes into what is called a "parameter card." This parameter card informs the system where the information resides, which listings to extract, and how to compile the information. It is imperative that the information placed on the parameter card is correct. So before the extraction, the parameter card is verified an additional time against the spreadsheet to insure accuracy.



On the Compile Date, Defendant extracts the data, checks the system log to verify that the extraction ran successfully, and prints reports that identify provisional listings and provide the number of listings extracted for each prefix. If the publisher has requested the investigation of provisional listings, it is performed at this time. Each provisional listing is reviewed and printed. Once the determination of the listing is made, valid listings are prepared for and distributed to the publisher. The numbers of listings identified on the reports are entered into the spreadsheet and the spreadsheet and associated billing information are sent by facsimile copy to the publisher. Defendant requests that a new customer pay in advance of receiving listings. The tape containing the extraction file is retrieved from the data center. After receiving payment, Defendant prepares a letter for the publisher that accompanies the spreadsheet, tape, and Record Layout. If the publisher has requested to receive the file electronically, then no tape is sent with the letter.

#### **(b) SL/U Agreement**

Once the executed SL/U Agreement is received, if a new update file is required, Defendant completes a System Enhancement/Maintenance Request (SEMR). The SEMR is forwarded to the Directory White Pages Mechanization Support Group (Mechanization Support Group). The Mechanization Support Group reviews the request to verify all information is correct and approves the request. Defendant assigns the SEMR a tracking number, logs it into the SEMR database, and forwards the original SEMR to its Information Systems Support Group. The Information Systems Support Group assigns the SEMR to a programmer. The programmer then adds the new vendor to the mechanized process (EH449) used to generate the listings and reports. Tasks necessary to add a new vendor to the existing processes takes about 12 hours; however, the affected work group requests a seven-day lead time to get the changes into their

system. Finally, the programmer runs a test transmission, visually verifies all changes, and forwards the changes to the Data Centers. The Data Centers require a five-day lead time for such transmissions.

After completing and forwarding the SEMR, if the publisher has requested "initial load only" or "initial load with updates," then Defendant can complete the extraction request and schedule it to run on the requested Compile Date. Here, too, completing the extraction request requires the entering of the prefixes and codes into a parameter card. Before extraction, the parameter card is verified an additional time against the spreadsheet to insure accuracy.

On the appropriate date, if the publisher has requested "updates only," then, when all programming is completed, Defendant activates the EH449TAB to pass the appropriate updates. On the Compile Date, if the publisher has requested an "initial load" or an "initial load and updates," Defendant extracts the data. Defendant checks the system log to verify that the extraction ran successfully. Defendant prints the reports that identify provisional listings and provide the number of listings extracted for each prefix. If the publisher has requested the investigation of provisional listings, it is performed at this time. Each provisional listing is reviewed and printed. Once the determination of the listing is made, valid listings are prepared for and distributed to the publisher. The numbers of listings identified on the reports are entered into the spreadsheet and the spreadsheet and associated billing information are sent by facsimile copy to the publisher. The tape containing the extraction file is retrieved from the Data Center. Defendant requests that a new customer pay in advance of receiving listings. After receiving payment, Defendant prepares a letter that accompanies the spreadsheet, tape, and Record Layout. If the publisher has requested to receive the file electronically, then no tape is sent with the letter.

The contractual provision in the License Agreements concerning the compilation of the DLI within five days of the requested Compile Date is precautionary. Because of other needs of Defendant's business, outages, or scheduling conflicts, the exact date cannot always be met. Scheduling conflicts can occur when several publishers want their listings compiled on the same date. Defendant's policy is "first come, first serve." See also attached flowcharts, Exhibit 4.

7. **Please describe fully the types of telephone company service order activity included in updated subscriber list information offered or provided by SW Bell to directory publishers, including but not limited to the updated subscriber listings provided to directory publishers pursuant to the License Agreement. Please also provide the number and names of entities actually subscribing to the offerings.**

Defendant provides directory publishers with updated published SLI for the area code(s), prefix(es), and class of service specified in their SL/U Agreement. The updated SLI consists of published new, change, record, move to, and disconnect telephone company service order activity. The updated transactions that the publisher receives are defined in Attachment 1, Exhibit A (pages 22 and 23) of the File Description of Subscriber Listing/Update Service for Directory Publishers, see Exhibit 2 attached. If a subscriber has a published listing and changes to a non-listed or non-published listing, the change in service appears as a "disconnect" on the update file. If a non-listed or non-published listing changes to a published listing, the change in service appears as a "new connect" on the update file.

As of February 18, 1999, there were 11 publishers who subscribe to this offering. They are as follows:

1. Associated Publishing Company
2. Bi-Rite Directories, Inc.
3. Cameron Telephone Company
4. Feist Publications, Inc.
5. Great Western Directories, Inc.
6. GTE Directories Publishing Corp.
7. K. W. Brock Directories
8. Metropolitan Publishing Company, Inc.
9. Midwestern Media of Arkansas

10. SWBYPS

11. SBCI.\*

\*SBCI has entered into a SL/U Agreement with SWBT; however, no SLI has been provided at this time.

8. **Please describe fully the types of telephone company service order activity included in the subscriber list information and updated subscriber list information provided or made by SW Bell to any and all entities or persons engaged in publishing directories for or on behalf of SW Bell or its affiliates.**

The following types of telephone company service order activity are included in the SLI and updated SLI provided or made available by Defendant to any and all entities or persons engaged in publishing directories for or on behalf of Defendant or its affiliates:

- New Connect Service Order Activity
- Change Service Order Activity
- Record Service Order Activity
- Disconnection Service Order Activity
- Move To Service Order Activity.

All of the above telephone company service order activity is available to Southwestern Bell Telephone Company.

Under its SL/U Agreement with SWBYPS, Defendant provides SWBYPS with an initial load file of SLI that consists of published new connect, change, move to, and record telephone company service order activity within the area code(s), prefix(es) and class of service requested. When the file is provided to SWBYPS, the listings are all in the form of new connect transactions as defined in the File Description of Subscriber Listing/Update Service for Directory Publishers, see Exhibit 2 attached, in the "E03 Prime File" information under Initial Database Load, 4.02. The SLI contains published subscribers' names, telephone numbers, addresses, and other fields of information as described in Attachment 5 of the File Description of Subscriber Listing/Update Service for Directory Publishers.

Defendant also provides SWBYPS with updated published SLI for the area code(s), prefix(es), and class of service specified in their agreement. The updated SLI consists of published new, change, record, move to, and disconnect telephone company service order

activity. The updated transactions that the publisher receives are defined in Attachment I, Exhibit A (Pages 22 & 23) of the File Description of Subscriber Listing/Update Service for Directory Publishers, see Exhibit 2 attached. If a subscriber has a published listing and changes to a non-listed or non-published listing, the change in service appears as a "disconnect" on the update file. If a non-listed or non-published listing changes to a published listing, the change in service appears as a "new connect" on the update file.

SBCI has entered into a SL/U Agreement with SWBT; however, no SLI has been provided at this time.

**9. Please identify all contract terms offered to affiliates and not to competing directory publishers.**

The only terms modified for Defendant's affiliates are the terms referencing affiliation.

The following terms are revised in Defendant's agreement with SWBYPs:

**"REPRESENTATION TO THE PUBLIC" the following revisions have been made in the second and third paragraphs:**

**Licensee shall not publish its directory in such form as may tend to cause or create confusion or identification with SWBT's directories, and further, Licensee agrees that Licensee, its employees, agents, or representatives will not use any advertisement, order form, billing invoice, stationery, promotional material or any other material or device which tend to create or imply an association with or sponsorship by SWBT or any affiliated Company; (The words "or any affiliated Company" have been lined through and initialed.)**

**Except as expressly provided herein, Licensee shall make no mention or use, either verbally or in writing, express or implied, of the name 'Southwestern Bell Telephone Company,' either standing alone or in juxtaposition with any other name or phrase, to the public, prospective advertisers, or others, in connection with Licensee's advertising, sales, solicitations, or any other written material or verbal presentation. If Licensee should be in violation thereof, his rights under this Agreement shall terminate, and he shall become liable to SWBT in liquidated damages in an amount of \$5,000.00 for each violation hereof. (The words "Telephone Company" have been added and initialed.)**

**"TRADEMARKS" the following revisions have been made:**

**Neither SWBT's nor any of its affiliates' names or logos, in any form or abbreviation, nor any of SWBT's or its affiliates' trade names, trademarks or service marks may be used by Licensee for any purpose, nor is Licensee to reveal SWBT as the source of the**

INFORMATION, except as provided herein. (The words 'nor any of its affiliates' have been lined through and initialed.)

10. Please describe the "other offerings" referred to in the "Licensee's Acknowledgement" provision of the License Agreement, including the fees charged for the offerings, the terms and conditions of the offerings, and the number and names of entities actually subscribing to the offerings.

The other offerings referred to in the "Licensee's Acknowledgement" provision of the Up-To-Date Tape License ("UTD") Agreement was referring to the SL/U License Agreement. The UTD Agreement was established in 1991 and originally did not include an offer to investigate provisional listings. At that time, the SL/U Agreement consisted of an initial load bundled with subsequent updates. The fees charged on the Subscriber Listing/Update Service in 1991 were \$.50 per listing, \$1 per update listing, a usage fee of \$25 per tape, and a \$500 administrative fee. The investigation of provisional listings was part of the Subscriber Listing/Update service, and Defendant charged a fee of \$.50 per Coded Slip for Manual Input.

In 1996, Defendant changed the SL/U Agreement, attached as Exhibit 5, offering initial load only, updates only, or initial load with subsequent updates. Also, in 1996, the per-listing rates were reduced to \$.25 for both initial load and update listings. The SL/U Agreement outlines the terms and conditions of this offering.

In 1996, the "License's Acknowledgement" should have been removed from the UTD Agreement. This was overlooked when changes were being made to both agreements.

As of February 18, 1999, there are 11 publishers who subscribe to the SL/U offering.

They are as follows:

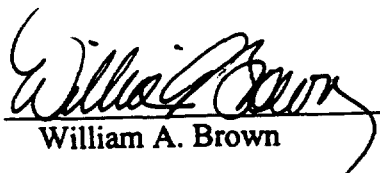
1. Associated Publishing Company
2. Bi-Rite Directories, Inc.
3. Cameron Telephone Company
4. Feist Publications, Inc.
5. Great Western Directories, Inc.

6. GTE Directories Publishing Corp.
7. K. W. Brock Directories
8. Metropolitan Publishing Company, Inc.
9. Midwestern Media of Arkansas
10. SWBYPs
11. SBCI.\*

\*SBCI has entered into a SL/U Agreement with SWBT, however, no SLI has been provided at this time.

Robert M. Lynch  
Roger Toppins  
Michael J. Zpevak  
William A. Brown

Date March 2, 1999

By:   
William A. Brown

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(214) 464-3454

ATTORNEYS FOR SOUTHWESTERN BELL  
TELEPHONE COMPANY

**CERTIFICATE OF SERVICE**

I, William A. Brown, the undersigned attorney of record, do hereby certify that I have caused copies of the foregoing "DEFENDANT'S ANSWERS TO COMPLAINANT'S REQUEST FOR ANSWERS TO INTERROGATORIES" to be served in accordance with 47 C.F.R. § 1.735(f) via hand delivery, this 2nd day of March, 1999, to each of the following persons:

Theodore Whitehouse  
Michael F. Finn  
Sophie J. Keefer  
WILLKIE FARR & GALLAGHER  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, N.W.  
Washington, DC 20036

Alexander P. Starr  
Chief, Formal Complaints & Investigation Branch  
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Kimberly Parker  
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\_\_\_\_\_  
William A. Brown